

**January 27, 2000 NOTE: Sections 3.3.1-3.3.3 of this OPL are replaced by [OPL 113](#).**

## **Chapter 3 -- Enrollment and Disenrollment Policies (OPL99.100)**

<a href="#">OPL100</a>	<a href="#">Sec 1</a>	<a href="#">Sec 2</a>	<a href="#">Sec 3</a>	<a href="#">Sec 4</a>	<a href="#">Sec 5</a>	<a href="#">Sec 6</a>	<a href="#">Sec 7</a>	<a href="#">Exhibits</a>
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### **Section 3.0 -- Election Periods**

In order for a M+CO to accept an election, the individual must make the election in an election period. There are four types of election periods in which individuals may enroll in and disenroll from M+C plans, allowing the individual to move between M+C plans, or between a M+C plan and original Medicare: Annual Election Periods, Initial Coverage Election Periods, Special Election Periods, and Open Enrollment Periods.

Unless a HCFA-approved capacity limit applies, all M+C plans must accept elections during the Annual Election Period, an Initial Coverage Election Period, and a Special Election Period. (Refer to [section 3.7](#) for election periods for Medicare MSA plans).

For the Open Enrollment Periods (OEPs), M+COs are only required to accept elections into any of their M+C plans that are open during an OEP. If a M+C plan is closed for enrollment, then it is closed to all individuals in the entire service area. If a M+CO has a M+C plan that is open during an OEP, and decides to change this process, it must notify HCFA and the general public 30 days in advance of the new limitations on the open enrollment process. For more information on requirements for the 30-day advance notice to the public and on marketing requirements when a M+C plan is closed for enrollment, refer to Chapter 5.

### **3.1 -- Annual Election Period (AEP)**

The AEP occurs in November of every year. The first AEP is November, 1999.

### **3.2 -- Initial Coverage Election Period (ICEP)**

The ICEP is the three months immediately before the individual's entitlement to both Part A and Part B.

For example, if an individual is entitled to Part A effective July, 1999, and enrolls in Part B effective July, 1999, then the ICEP is April, May, and June of 1999. If an individual is entitled to Part A effective November, 1999, but waits to enroll in Part B for an effective date of July, 2000, then the ICEP is April, May and June of 2000.

Please note that the ICEP will frequently relate to either the individual's 65th birthday or the 25th month of disability, but it must always relate to the individual's entitlement to both Part A and Part B.

The first ICEP began in October 1998, for those individuals entitled to both Part A and Part B effective January 1, 1999.

### **3.3 -- Open Enrollment Period**

Individuals have an opportunity to make an election or change an election during an OEP, in addition to their opportunities during the AEP, SEP, or ICEP. M+C plans are not required to be open during an OEP. In addition, if a M+C plan is open during part of an OEP, it is not required to be open for the entire OEP. For example, in 1999 a plan may be open only during March and April, or a plan may choose to be open only during the first 25 days of each month. In addition, if a M+CO has more than one M+C plan, the M+C plans are not required to be open during the same time frames.

Beginning in 2002, except as described for newly eligible individuals in [section 3.3.4](#), an individual may make only one election during each OEP, not including any elections made during an SEP. Therefore, beginning in 2002, if a M+C plan accepts elections during the OEP, only the individual's first OEP election will be processed by HCFA. All subsequent OEP elections made by that individual will be rejected.

#### **3.3.1 -- OEP in 1999 - 2001**

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Beginning January, 1999, the OEP is any month in 1999 through 2001, during which a M+C plan has open enrollment. If a M+C plan has continuous open enrollment in 1999 through 2001, then it must accept all OEP elections. If a M+C plan has open enrollment (though not continuous) at any time, then it must accept all OEP elections made during its open enrollment period. If a M+C plan does not maintain open enrollment outside of the AEP, then it is not required to accept any OEP elections. An M+C eligible individual can make an unlimited number of elections during the OEP in 1999-2001.

#### **3.3.2 -- OEP in 2002**

In 2002, the OEP is January through June, during which a M+C plan has open enrollment. If a M+C plan has open enrollment any time between January and June 2002, then it must accept all OEP elections made during its open enrollment period. For example, if a M+C plan has open enrollment in January and February only, then it must accept OEP elections made in January and February, but it does not have to accept OEP elections in March through June. If a M+C plan does not maintain open enrollment outside of the AEP, then it is not required to accept OEP elections between January and June of 2002.

#### **3.3.3 -- 2003 and Beyond**

Beginning in 2003, the OEP is January through March, during which a M+C plan has open enrollment. If a M+C plan has open enrollment any time between January and

March of a particular year, then it must accept all OEP elections made during its open enrollment period for that same year. For example, if a M+C plan has open enrollment in January and February only, then it must accept OEP elections made in January and February, but it does not have to accept OEP elections in March. If a M+C plan does not maintain open enrollment outside of the AEP, it is not required to accept OEP elections between January and March.

### **3.3.4 -- Open Enrollment for Newly Eligible Individuals**

Beginning in 2002, an OEP exists for newly eligible individuals (OEPNEW). In 2002, the OEPNEW is the six months beginning with the month of entitlement to both Part A and Part B, but not extending past December 31. In 2003 and thereafter, the OEPNEW is the three months beginning with the month of entitlement to both Part A and Part B, but not extending past December 31.

A M+C plan is not required to accept elections in the OEPNEW. An individual is allowed an initial election and one change of election during the OEPNEW. If the M+C plan accepts elections during the OEPNEW, only the individual's first OEPNEW election and change of election will be processed by HCFA. All subsequent OEPNEW elections made by the individual will be rejected. An election made during any SEP or AEP will not count towards this limit of one election and one change of election in this period.

### **3.4 -- Special Election Period (SEP)**

SEPs include those situations where: (1) the individual has made a permanent move outside of the service area or continuation area or has experienced another change in circumstances as determined by HCFA (other than termination for non-payment of premiums or disruptive behavior) that causes the individual to no longer be eligible to elect the M+C plan; (2) the M+CO's contract for the M+C plan has been terminated or discontinued in the service area or continuation area in which the individual resides; (3) the individual demonstrates that the M+CO offering the M+C plan substantially violated a material provision of its contract under Part C in relation to the individual, or the M+CO (or its agent) materially misrepresented the plan when marketing the plan; or, (4) the individual meets such other exceptional conditions as HCFA may provide.

During a SEP, an individual may discontinue the election of a M+C plan offered by a M+CO and change to a different M+C plan or original Medicare. The time frame and effective dates for SEPs are as follows.

Please note that the time frame of a SEP denotes the time frame during which an individual may make an election. It does not necessarily correspond to the effective date of coverage. For example, if a SEP exists for an individual from May - July, then a M+CO must receive a completed election form from that individual some time between May 1 and July 31 in order to consider the election a SEP election. However, the type of SEP will dictate what the effective date of coverage may be, and that effective date of

coverage may be some time after July 31. The following discussion of SEPs and their corresponding effective dates will demonstrate this concept more fully.

### **3.4.1 -- SEPs for Permanent Moves**

A SEP exists for individuals who permanently move outside of the service or continuation area. For this SEP, an individual may elect another M+C plan or original Medicare the month prior to the month of the permanent move, the month of the move, or up to one month after the move. The individual may choose an effective date of up to three months after the month in which the M+C plan receives the completed enrollment form. However, the effective date may not be earlier than the date the individual moves to the new service area or earlier than the date the M+CO receives the completed enrollment form.

Please keep in mind that, as outlined at 42 CFR 422.74(b)(2)(I), a member of a M+C plan who moves permanently out of the service area must be disenrolled from the plan, unless continuation of enrollment applies. Therefore, while we have established a SEP that allows an individual adequate time to move into a new area and to subsequently choose a new M+C plan, that individual will no longer be enrolled in the original M+C plan after the month of the move. Unless an individual enrolls in a new M+C plan with an effective date of the month after the move (e.g., the individual moves on June 18 and enrolls in a new plan effective July 1), s/he will be enrolled in original Medicare until s/he elects the new M+C plan.

*Example:* a beneficiary is a member of a M+C plan in Florida and intends to move to Arizona on June 18. A SEP exists for this beneficiary from May 1 - July 31.

- A. If a M+C plan in Arizona receives a completed enrollment form from the beneficiary in May, the beneficiary can choose an effective date of July 1 or August 1.
- B. If the M+C plan receives the completed enrollment form from the beneficiary in June (the month of the move), the beneficiary can choose an effective date of July 1, August 1, or September 1.
- C. If the M+C plan receives the completed enrollment form in July, the beneficiary could choose an effective date of August 1, September 1, or October 1.

At the time the individual makes the election into a M+C plan, the individual must provide the specific address where the individual will permanently reside upon moving into the service area, so that the M+CO can determine that the individual meets the residency requirements for enrollment in the plan.

### **3.4.2 -- SEPs for Contract Violation**

In the event an individual is able to demonstrate to HCFA that the M+CO offering the M+C plan of which s/he is a member substantially violated a material provision of its contract under Part C in relation to the individual, or the M+CO (or its agent) materially misrepresented the plan when marketing the plan, the individual may disenroll from the M+C plan and elect original Medicare or another M+C plan. The SEP will begin once HCFA agrees with the individual that a violation has occurred. Its length will depend on whether the individual immediately elects a new M+C plan upon disenrollment from the original M+C plan or whether the individual initially elects original Medicare before choosing a new M+C plan.

We note that in some case-specific situations, HCFA may process a retroactive disenrollment for these type of disenrollments. If the disenrollment is not retroactive:

- An SEP exists such that an individual may elect another M+C plan or original Medicare during the last month of enrollment in the M+CO, for an effective date of the month after the month the M+CO receives the completed enrollment form.

*Example:* A member of a M+C plan demonstrates to HCFA on January 16 that the M+CO substantially violated a material provision of its contract. As a result, the member will be disenrolled from the M+C plan on January 31. A SEP exists for this beneficiary beginning January 16 and lasting until the end of January to choose original Medicare or another M+C plan for a February 1 effective date.

- If the individual in the above example elects original Medicare during the last month of enrollment in the M+CO (either by choosing original Medicare or by not choosing a M+C plan and therefore defaulting to original Medicare), the individual will be given an additional 90 days from the effective date of the disenrollment from the M+CO to elect another M+C plan. During this 90-day period, and until the individual elects a new M+C plan, the individual will be enrolled in original Medicare. The individual may choose an effective date into a new M+C plan beginning any of the three months after the month in which the M+C plan receives the completed enrollment form. However, the effective date may not be earlier than the date the M+CO receives the completed enrollment form.

*Example:* A member of a M+C plan demonstrates to HCFA on January 16 that the M+CO substantially violated a material provision of its contract. The member decides to return to original Medicare. As a result, the member is disenrolled from the M+C plan on January 31 and enrolled in original Medicare with a February 1 effective date. A 90-day SEP continues to exist for the beneficiary from February 1 through April 30. In this example, a new M+C plan then receives a completed enrollment form

from the individual on April 15. The beneficiary can choose an effective date of May 1, June 1, or July 1.

If the disenrollment is retroactive, the Regional Office that grants the retroactive disenrollment will provide the beneficiary with the time frame for his/her SEP to elect another M+C plan. However, the individual will not be allowed to choose an effective date into a M+C plan of more than three months after the month the M+C plan receives the completed enrollment form, and the effective date may not be earlier than the date the M+CO receives the completed enrollment form.

### **3.4.3 -- SEPs for Nonrenewals or Terminations**

In general, to allow members affected by nonrenewals or terminations ample time to make a choice of their new election, SEPs for contract nonrenewals and contract/service area terminations begin when the M+CO is required to give notification to the member and end 3 months after that notification. Effective dates during these SEPs are described below. HCFA has the discretion to modify this SEP as necessary for any nonrenewals or terminations when the circumstances are unique and warrant a need for a modified SEP.

In particular:

- Beginning with contract year 2000, for members of M+C plans that will be affected by contract nonrenewals that are effective January 1 of the contract year (42 CFR 422.506), a SEP exists that will allow the member to choose a new M+C plan or original Medicare. (Refer to "SEPs for Exceptional Conditions" for an explanation of a similar SEP for contract year 1999). For this type of nonrenewal, M+COs are required to give notice to affected members at least 90 days prior to the date of nonrenewal (42 CFR 422.506(a)(2)(ii)). To help coordinate with the notification time frames, the SEP begins October 1 and ends on December 31 of the year prior to the date the termination takes place.

During this SEP, a beneficiary may choose an effective date of November 1, December 1, or January 1; however, the effective date may not be earlier than the date the new M+CO receives the completed election form.

- For members of plans who will be affected by a termination of contract by the M+CO or a modification or termination of the contract by mutual consent (42 CFR 422.512 and 422.508(a)(1)), a SEP exists that will allow the member to choose a new M+C plan or original Medicare. For this type of termination, M+COs are required to give notice to affected members at least 60 days prior to the date of termination (422.512(b)(2)). To help coordinate with the notification time frames, the SEP begins 2 months before the termination effective date and ends 1 month after the month of the termination. Please note that if an individual does not elect a M+C

plan before the termination effective date, s/he will be defaulted to original Medicare on the effective date of the termination. However, the SEP will still be in effect should the individual wish to subsequently elect a M+C plan (for a current, not retroactive, effective date).

Beneficiaries affected by these types of terminations may choose an effective date of the month after notice is given, or up to two months after the month of the termination. However, the effective date may not be earlier than the date the new M+CO receives the completed election form.

- *For example*, if a M+CO contract will terminate for cause on April 30, an SEP lasts from March 1 through May 31. In this scenario, a beneficiary could choose an effective date of April 1, May 1, or June 1; however, the effective date may not be earlier than the date the new M+CO receives the completed election form.
- For members of plans that will be affected by M+CO contract/service area terminations by HCFA (42 CFR 422.510), a SEP also exists that will allow the member to choose a new M+C plan or original Medicare. For this type of termination, M+COs are required to give notice to affected members at least 30 days prior to the date of termination (422.510(b)(1)(ii)). To help coordinate with the notification time frames, the SEP begins 1 month before the termination effective date and ends 2 months after the date of the termination. Please note that if an individual does not elect a M+C plan before the termination effective date, s/he will be defaulted to original Medicare on the effective date of the termination. However, the SEP will still be in effect should the individual wish to subsequently elect a M+C plan (for a current, not retroactive, effective date).

Beneficiaries affected by these types of terminations may choose an effective date of up to three months after the month of termination. However, the effective date may not be earlier than the date the new M+CO receives the completed election form.

- *For example*, if HCFA plans to terminate a M+CO contract on June 30, a SEP lasts from June 1 through August 31. In this scenario, a beneficiary could choose an effective date of July 1, August 1, or September 1; however, the effective date may not be earlier than the date the new M+CO receives the completed election form.
- HCFA will establish the SEP during the termination process for immediate terminations by HCFA (422.510(b)(2)), where HCFA provides notice of termination to a M+C plan's members and the termination may be mid-month.

### **3.4.4 -- SEPs for Exceptional Conditions**

HCFA has established the following SEPs based on exceptional conditions:

7. SEP EGHP: A SEP exists for individuals electing M+C plans through their employer groups, to allow for easier coordination of election periods between EGHPs and M+C plans. This SEP may only be used by a M+C eligible individual if the EGHP's open season does not coincide with the M+C AEP or OEP. In addition, the SEP may only be used if the EGHP provides language to the individual at the time of enrollment stating that s/he understands the network and authorization requirements of the plan - also referred to as "lock-in" language. This language is included on the model enrollment forms in [Exhibits 1, 2, and 3](#).

The individual may choose an effective date of up to three months after the month in which the EGHP receives the completed enrollment form. However, the effective date may not be earlier than the date the EGHP receives the completed enrollment form. Note: if necessary, the M+CO may process the enrollment with a retroactive effective date, as outlined in [section 7.6](#).

- *For example*, the SEP does not apply to individuals in EGHPs if their EGHP's open season is in November for a January 1 effective date, because that time frame equates to the M+C AEP. But the SEP would apply if the EGHP holds an open season every July for an October 1 effective date, since neither the AEP nor the OEP have effective dates that could accommodate this time frame.

Keep in mind that all M+C eligible individuals, including those in EGHPs, may elect M+C plans during the AEP and ICEP, during any other SEP, and during the OEP if the plan is open for enrollment. The SEP EGHP does not eliminate the right of these individuals to make elections during these time frames.

### **3.4.5 -- SEPs for Beneficiaries Age 65 (SEP65)**

*(To Be Provided At a Later Date)*

### **3.5 -- Effective Date of Coverage**

To determine the proper effective date, the M+CO must determine which election period applies to each individual before the enrollment may be transmitted to HCFA. The election period may be determined by reviewing information such as the individual's date of birth, Medicare card, a letter from Social Security, or by the month in which the completed enrollment form is received by the M+CO.

Once the election period is identified by the M+CO, the M+CO must determine the effective date. Refer to [section 7.7](#) to determine the effective date for a



continuation of enrollment. In addition, EGHP enrollments may be retroactive up to 90 days before the receipt of the election from the EGHP, as long as the effective date is not during a time period in which the M+C plan was closed for enrollment. (Refer to [section 7.6](#) for more information on EGHP retroactive effective dates).

Effective dates are as follows:

<b>Election Period</b>	<b>Effective Date of Coverage</b>
Initial Coverage Election Period	First day of the month of entitlement to Medicare Part A and Part B
Open Enrollment Period (including the new OEPNEW)	First day of the month after the month the M+CO receives a completed enrollment form
Annual Election Period	January 1 of the following year
Special Election Period	Varies, as outlined in <a href="#">Section 3.4</a>

It is possible for an individual to make an election when more than one election period applies, and therefore it is possible that more than one effective date could be used. For example, until 2002, the AEP and the OEP will coincide every November if a M+C plan has continuous open enrollment. Therefore, if an individual makes an election when more than one election period applies, a M+CO must allow the individual to choose the election period (and therefore the effective date) in which s/he is enrolling (see exception in the next paragraph regarding the ICEP). For example, if a M+CO receives a completed enrollment form in November 2000 for enrollment in a M+C plan that has continuous open enrollment, the individual can choose a December 1, 2000 effective date for the OEP or a January 1, 2001 effective date for the AEP.

If the individual's ICEP and another election period overlap, the individual may not choose an effective date any earlier than the month of entitlement to both Medicare Part A and Part B. For example, if an individual's ICEP is November, December and January 2000 (i.e., he will be entitled to Part A and Part B in February 2001) and a M+CO receives a completed enrollment form from that individual in November (the AEP), then the individual may NOT choose a January 1 effective date for the AEP and must be given a February 1 effective date for the ICEP.

If an individual makes an election when more than one election period applies but does not choose an effective date, then the M+CO must assign an effective date according to the following ranking of election periods (1 = Highest, 5 = Lowest). The election period with the highest rank determines the effective date. For example, a M+C plan with continuous open enrollment may receive a completed enrollment form in November, but the individual does not choose an effective

date. In this scenario, the effective date should be January 1 (for the AEP), and not December 1 (for the OEP), because the AEP is ranked higher than the OEP.

Ranking of Election Periods: (1 = Highest, 5 = Lowest)

8. ICEP
9. AEP
10. OEP
11. OEPNEW
12. SEP

### **3.6 -- Effective Date of Voluntary Disenrollment**

When a member disenrolls through the M+CO, SSA, or the RRB, the election will return the member to original Medicare. If a member elects a M+C plan while still a member of a different M+C or cost plan, s/he will automatically be disenrolled from the old plan and enrolled in the new plan by HCFA systems with no duplication or delay in coverage.

As with enrollments, it is possible for a member to make a disenrollment request when more than one election period applies. Therefore, in order to determine the proper effective date, the M+CO must determine which election period applies to each member before the disenrollment may be transmitted to HCFA.

Once the election period is identified by the M+CO, the M+CO must determine the effective date. (Note: Regional Offices may make EGHP disenrollments retroactive up to 90 days before the date the M+CO received the election from the EGHP. Refer to [section 7.6](#) for more information.)

If a M+CO receives a completed disenrollment request when more than one election period applies, the M+CO must allow the member to choose the effective date of disenrollment. If the member does not make a choice of effective date, then the M+CO must give the effective date that results in the earliest disenrollment.

Effective dates for voluntary disenrollment are as follows. (Refer to [sections 5.2 and 5.3](#) for effective dates for involuntary disenrollment.)

<b>Election Period</b>	<b>Effective Date of Coverage</b>
Open Enrollment Period (including the new OEPNEW)	First day of the month after the month the M+CO receives a completed disenrollment request
Annual Election Period	January 1 of the following year
Special Election Period	Varies, as outlined in <a href="#">Section 3.4</a>

### **3.7 -- Election Periods and Effective Dates for Medicare MSA Plans**

Individuals may only enroll in Medicare MSA plans during the ICEP or the AEP; they may not enroll in Medicare MSA plans during an OEP. The effective date of coverage when an election is made under the ICEP is on the first day of the month of entitlement to both Part A and Part B. The effective date of coverage when an election is made under the AEP is January 1 of the following year (refer to [section 3.5](#) to determine when the ICEP effective date should take precedence over the AEP effective date).

Individuals may only disenroll from Medicare MSA plans during the AEP or SEP. Exception: individuals who elect a Medicare MSA plan during the AEP for the first time may revoke that election, but must do so by December 15 of the year in which they enrolled in the Medicare MSA plan. The effective date of disenrollment during the AEP is January 1. The effective date of disenrollment during an SEP depends on the type of SEP and the reason members must disenroll.